

Ukraine proposes a free-trade agreement with the EU in two stages

On 7 February, the Prime Minister of Ukraine, Mykola Azarov, proposed that the EU and Ukraine should sign an agreement on a comprehensive, deep free-trade zone in two stages. Most likely, the European Commission will reject the offer. Azarov's request can be interpreted as a tactical manoeuvre in the negotiations.

At a meeting with Lithuania's Foreign Minister, Azarov suggested first signing an agreement on questions where a compromise has already been reached. The Prime Minister said that these make up 90% of the negotiating position. The remaining 10% are controversial issues, and these would form the content of the next agreement, which the EU and Ukraine could adopt at a later date, after agreeing a compromise version. Azarov said that one particularly difficult point of agreement concerns the trade in agricultural products. Azarov's statement came on the first day of the 15th round of EU/Ukrainian talks on a free-trade zone, which have already lasted two and a half years. If Ukraine announces this proposal during the negotiations, the European Commission (which is conducting the talks on the EU's behalf) will most likely refuse it, as it wishes to conclude the agreement in its entirety. Kyiv is certainly aware of this, and so Azarov's statement can be seen as a tactical manoeuvre before the negotiations get under way. Kyiv probably wanted to show its determination to defend its position, in order to persuade the Union into concessions. Azarov's statement shows that both parties' positions are inflexible; this does not promise a rapid conclusion to the negotiations, unless one party makes significant concessions on the most contentious matters. <SZA>